

SERFF Tracking Number: ARKS-125404154 State: Arkansas
Filing Company: 00006 - INSURANCE SERVICES OFFICE, INC. State Tracking Number: #104603 \$500
Company Tracking Number: CL 2007-OTRL 1
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0020 Commercial Umbrella & Excess
Product Name: General Liability
Project Name/Number: /

Filing at a Glance

Company: 00006 - INSURANCE SERVICES OFFICE, INC.

Product Name: General Liability	SERFF Tr Num: ARKS-125404154	State: Arkansas
TOI: 17.0 Other Liability - Claims Made/Occurrence	SERFF Status: Closed	State Tr Num: #104603 \$500
Sub-TOI: 17.0020 Commercial Umbrella & Excess	Co Tr Num: CL 2007-OTRL 1	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
	Author:	Disposition Date: 12/27/2007
	Date Submitted: 12/27/2007	Disposition Status: Approved
Effective Date Requested (New):		Effective Date (New):
Effective Date Requested (Renewal):		Effective Date (Renewal):
State Filing Description:		

General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 12/31/2007	
State Status Changed: 12/31/2007	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

Company and Contact

Filing Contact Information

NA NA,	NA@NA.com
NA	(123) 555-4567 [Phone]

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NA, AR 00000

Filing Company Information

00006 - INSURANCE SERVICES OFFICE, INC.	CoCode: 6	State of Domicile: Arkansas
No Address	Group Code:	Company Type:
City, AR 99999	Group Name:	State ID Number:
(999) 999-9999 ext. [Phone]	FEIN Number: 99-9999999	

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Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	12/31/2007	12/31/2007

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Project Name/Number: /

Disposition

Disposition Date: 12/27/2007

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ARKS-125404154 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	ARKS-125404154	Approved	No

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Rate Information

Rate data does NOT apply to filing.

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Product Name: General Liability
Project Name/Number: /

Supporting Document Schedules

Satisfied -Name: ARKS-125404154

Comments:

Attachment:

ARKS-125404154.pdf

Review Status:

Approved

12/31/2007

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TEL: (214) 390-1825 FAX: (214) 390-1975

CA#104603

Approved until withdrawn
or revoked

\$ 500.⁰⁰

December 19, 2007

Dec 27 2007

ARHS-125404154

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

Arkansas Insurance Department
By:

ER

RECEIVED

informational purposes DEC 27 2007

PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

Attention: William R. Lacy, Director
Property and Casualty Division

RE: Insurance Services Office, Inc.
CL 2007-OTRL1
General Liability
Commercial Liability Umbrella
Forms Relating to Certified Acts Revised in Response to Terrorism
Risk Insurance Program Reauthorization Act of 2007
State of Arkansas

Closed

Dear Mr. Lacy:

On behalf of those participating insurers that have authorized ISO to do so, we hereby file the captioned revision. The purpose of this filing is to introduce changes necessary to bring ISO's forms into compliance with the Terrorism Risk Insurance Program Reauthorization Act of 2007.

This Act extends the federal Terrorism Risk Insurance Program (which was set to expire at the end of December 31, 2007) for a seven-year period, through December 31, 2014. Several other noteworthy changes in the Act include:

- Revision to the criteria for certification of an act to eliminate the requirement that the act be committed on behalf of a foreign person or foreign interest.
- Requirement to provide a clear and conspicuous disclosure of the \$100 billion cap on payments for insured losses, as well as a strengthening of that cap.
- Requirement that the Secretary of the Treasury develop regulations for determining the pro rata share of insured losses to be paid under the program when those insured losses exceed \$100 billion during any one program year.

Insurers are now faced with the task of overhauling policy administration systems to comply with the new requirements, including new policy language reflecting the revised definition of a certified

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals ~~acting on behalf of any foreign person or foreign interest~~, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF CERTIFIED ACTS OF NUCLEAR,
BIOLOGICAL, OR CHEMICAL OR RADIOLOGICAL ACTS
OF TERRORISM; CAP ON LOSSES FROM CERTIFIED
ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part or underlying insurance to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or underlying insurance.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:

- a. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. In the event of any incident of a "certified act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

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D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury. With respect to all "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

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DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) \$

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

Additional information, if any, concerning the terrorism premium:

Federal share of terrorism losses % Year: 20 ____
(Refer to Paragraph B. in this endorsement.)

Federal share of terrorism losses % Year: 20 ____
(Refer to Paragraph B. in this endorsement.)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. ~~For losses occurring in 2006, the federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. For losses occurring in 2007, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. If the federal program is extended beyond 2007, the applicable percentage is shown in the Schedule of this endorsement or in the policy Declarations. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.~~

**C. Cap On Insurer Participation In Payment Of
Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

act, additional disclosure requirements, and other issues. For this reason, we are proposing that this revision become effective in accordance with the following rule of application:

These changes are available for insurer use upon your approval.

To provide maximum flexibility to insurers in revising their policy administration systems, we propose that insurers are not required to advise you of the actual date on which they incorporate the attached into their workflow. This will avoid the need for unnecessary filings to delay effective dates, and takes into consideration the fact that insurers have varying system considerations and lead-time requirements.

It is very important that insurers have the tools contained in this filing available for use as soon as practicable. Your prompt approval of this critical filing is appreciated. Should you have any questions on the material contained herein, we would be happy to discuss them with you at your convenience. I urge you to call or send an e-mail, so that we can respond immediately to any concerns you may have.

Please return an acknowledged copy of this cover letter for our records. An addressed, stamped envelope is enclosed for your convenience.

Very truly yours,


Donald J. Beckel, CPCU, ARM
Assistant Regional Manager

DJB:db
Encl.

Arkansas Supplement To Revised Certified Acts Endorsements In Response To Terrorism Risk Insurance Program Reauthorization Act Of 2007

Applicable Lines Of Business

- ◆ General Liability
- ◆ Commercial Liability Umbrella

About This Filing

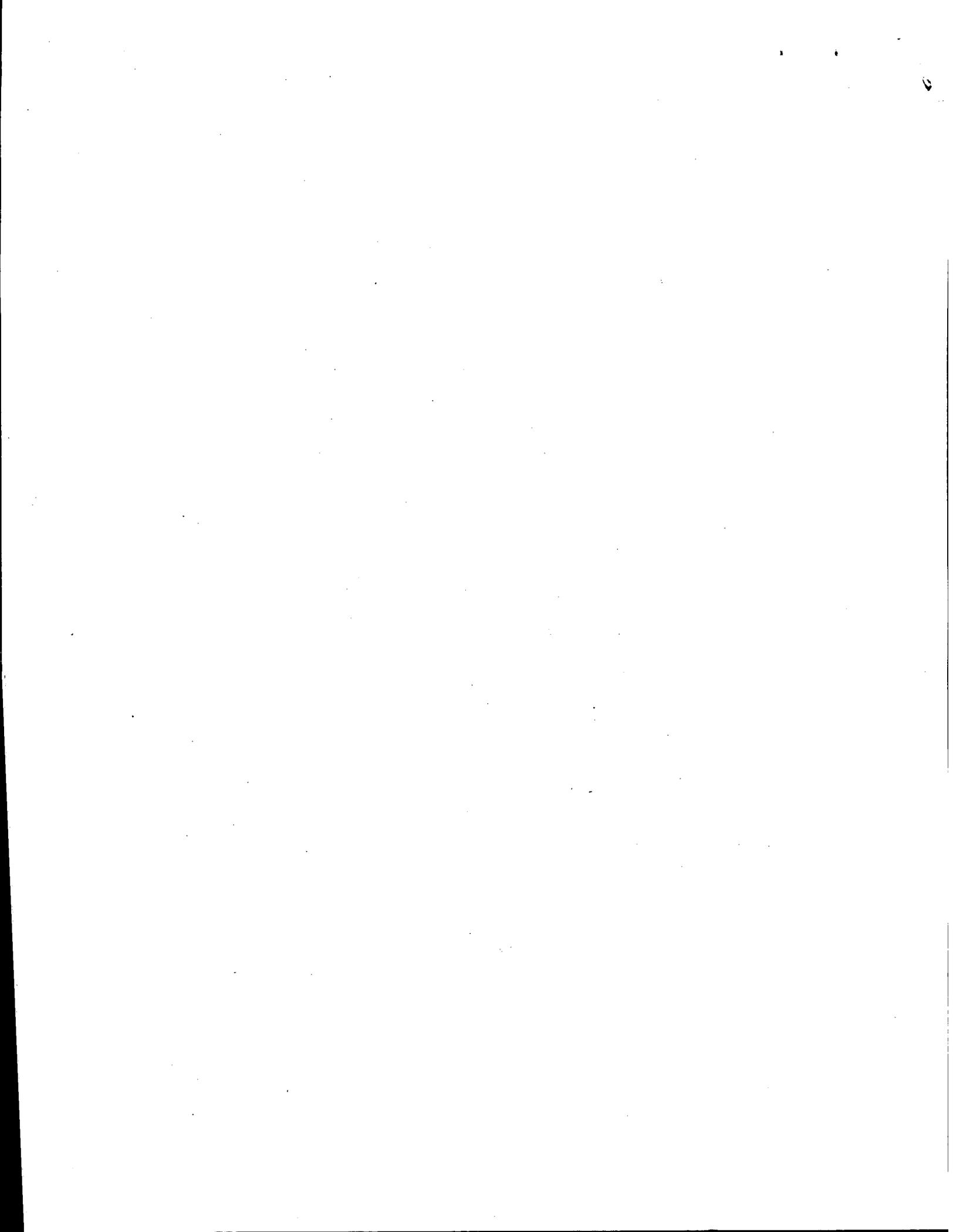
This filing revises Arkansas Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism endorsements CG 26 86 and CU 01 61 in response to enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007.

Revised Forms

We are revising the following forms:

- ◆ CG 26 86 12 02 Arkansas Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism
- ◆ CU 01 61 12 02 Arkansas Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the 01 08 editions. Concurrent with implementation, the 01 08 editions will supersede the prior editions.



Background

In multistate forms filing CL-2007-OTRL1, we revised certain terrorism endorsements in response to enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, including Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism endorsements CG 21 76 and CU 21 36. In Arkansas, endorsements CG 26 86 and CU 01 61 apply in lieu of multistate endorsements CG 21 76 and CU 21 36.

Explanation of Changes

We are revising Arkansas Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism endorsements CG 26 86 and CU 01 61 to:

- ◆ Remove reference to the original enactment of TRIA, the Act "of 2002".
- ◆ Revise the definition of certified act of terrorism to:
 - Delete the text "acting on behalf of any foreign person or foreign interest", in line with the revision to Section 102(1)(A)(iv) of the Act.
 - Reflect the fact that the definition includes appropriate details, but not all of the statutory wording, in setting forth the criteria for a certified act of terrorism.
 - Elaborate on the reference to aggregate losses, which are aggregate insured losses attributable to all types of insurance subject to TRIA.

Multistate Forms Not Applicable

The following multistate forms submitted in filing CL-2007-OTRL1 are not applicable in Arkansas:

- ◆ CG 21 76 Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism
- ◆ CU 21 36 Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

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A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as "punitive damages".

B. The following definitions are added:

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:

a. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals ~~acting on behalf of any foreign person or foreign interest,~~ as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

2. "Punitive damages" means damages that may be imposed to punish a wrongdoer and to deter others from similar conduct.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as "punitive damages".

B. The following definitions are added:

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:

a. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals ~~acting on behalf of any foreign person or foreign interest~~, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

2. "Punitive damages" mean damages that may be imposed to punish a wrongdoer and to deter others from similar conduct.

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Forms Relating To Certified Acts Revised In Response To Terrorism Risk Insurance Program Reauthorization Act Of 2007

Applicable Lines of Business

This filing applies to the following:

- ◆ General Liability
- ◆ Commercial Liability Umbrella

About This Filing

This filing revises certain terrorism endorsements in response to enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007.

Revised Forms

We are revising the following endorsements:

- ◆ **CG 21 70 11 02 Cap On Losses From Certified Acts Of Terrorism [new edition is CG 21 70 01 08]**
- ◆ **CG 21 73 12 02 Exclusion Of Certified Acts Of Terrorism [new edition is CG 21 73 01 08]**
- ◆ **CG 21 76 11 02 Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism [new edition is CG 21 76 01 08]**
- ◆ **CG 21 80 12 03 Certified Acts Of Terrorism Aggregate Limit; Cap On Losses From Certified Acts Of Terrorism (for use with the Commercial General Liability Coverage Part) [new edition is CG 21 80 01 08]**
- ◆ **CG 21 82 12 03 Certified Acts Of Terrorism Aggregate Limit; Cap On Losses From Certified Acts Of Terrorism (for use with the Products/Completed Operations Liability Coverage Part) [new edition is CG 21 82 01 08]**

- ◆ **CG 21 84 12 03** Exclusion Of Certified Nuclear, Biological, Chemical Or Radiological Acts Of Terrorism; Cap On Losses From Certified Acts Of Terrorism [revised title conforms to the new edition **CG 21 84 01 08**]
- ◆ **CU 21 30 11 02** Cap On Losses From Certified Acts Of Terrorism [new edition is **CU 21 30 01 08**]
- ◆ **CU 21 33 12 02** Exclusion Of Certified Acts Of Terrorism [new edition is **CU 21 33 01 08**]
- ◆ **CU 21 36 11 02** Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism [new edition is **CU 21 36 01 08**]
- ◆ **CU 21 40 12 03** Exclusion Of Certified Nuclear, Biological, Chemical Or Radiological Acts Of Terrorism; Cap On Losses From Certified Acts Of Terrorism [revised title conforms to the new edition **CU 21 40 01 08**]
- ◆ **IL 09 85 01 06** Disclosure Pursuant To Terrorism Risk Insurance Act [new edition is **IL 09 85 01 08**]

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the current editions to the new editions. Concurrent with implementation, the new editions will supersede the prior editions.

Related Filing(s)

- ◆ Rules Filing CL-2007- RTRL1

Background

The Terrorism Risk Insurance Act (TRIA) of 2002 established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. Pursuant to Section 103(c) of the Act, all insurers providing insurance for applicable lines of business are required to participate in the program by making available coverage for insured losses resulting from an act of terrorism as defined by the Act (so-called certified acts coverage). The Terrorism Risk Insurance Program was extended for two years, until December 31, 2007, by the Terrorism Risk Insurance Extension Act of 2005, which incorporated various changes with respect to federal share of losses and affected lines of business. We responded in the past to each of these enactments, with filings of disclosure forms and various endorsements addressing the terrorism risk.

Current Environment

The federal Terrorism Risk Insurance Program has been revised and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007, which incorporates various changes to the Program. Certain changes, summarized as follows and recognized in the next section of this filing document, have an impact on ISO terrorism forms:

- ◆ Under Section 102(1)(A)(iv) of the Act, the definition of an act of terrorism (with respect to certification of such act) is revised by eliminating the criterion that the act be committed on behalf of a foreign person or foreign interest. As revised, the definition, in part, requires the act to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- ◆ Section 103(b)(3) of the Act requires disclosure of the existence of the \$100 billion cap on payments by insurers.
- ◆ Section 103(e)(2)(A) of the Act eliminates the provision asserting that Congress may take action to increase the \$100 billion cap in the event that insured losses exceed such cap; and Section 103(e)(2)(B) requires the Secretary of the Treasury to issue regulations for determining the pro rata share of insured losses to be paid under the Program (up to \$100 billion) when insured losses exceed \$100 billion.

Explanation of Changes

Cap On Losses From Certified Acts Of Terrorism Endorsements CG 21 70 and CU 21 30

Exclusion Of Certified Acts Of Terrorism Endorsements CG 21 73 and CU 21 33

Exclusion Of Punitive Damages Related To A Certified Act Of Terrorism Endorsements CG 21 76 and CU 21 36

Exclusion of Certified Nuclear, Biological, Chemical Or Radiological Acts Of Terrorism; Cap on Losses From Certified Acts Of Terrorism Endorsements CG 21 84 and CU 21 40

Certified Acts Of Terrorism Aggregate Limit; Cap On Losses From Certified Acts Of Terrorism Endorsements CG 21 80 and CG 21 82

These endorsements are revised to:

- ◆ Remove reference to the original enactment of TRIA, the Act "of 2002".

- ◆ Revise the definition of certified act of terrorism to:
 - Delete the text "acting on behalf of any foreign person or foreign interest", in line with the revision to Section 102(1)(A)(iv) of the Act.
 - Reflect the fact that the definition includes appropriate details, but not all of the statutory wording, in setting forth the criteria for a certified act of terrorism.
 - Elaborate on the reference to aggregate losses, which are aggregate insured losses attributable to all types of insurance subject to TRIA.
- ◆ Revise the language expressing the existence and effect of the cap. As revised, the language explicitly refers to the amount of the cap and addresses allocation of insured losses, pursuant to Sections 103(e)(2)(A) and 103(e)(2)(B) of the Act. This revision is not applicable to CG 21 73, CG 21 76, CU 21 33 or CU 21 36.

In addition, the word "Radiological" is added to the titles of CG 21 84 and CU 21 40, in order to recognize the contemporary expression of the so-called NBCR exposure. That also reflects the wording of Paragraph A.1. of these endorsements.

**Disclosure Pursuant To Terrorism Risk Insurance Act -- Line Item
Disclosure Endorsement IL 09 85**

This endorsement is revised as follows:

- ◆ The Schedule entry for disclosure of the federal share of terrorism losses is being removed. Paragraph B. of the endorsement discloses the federal share of 85%. The Schedule entry had accommodated the possibility of change in the federal share for Program Years after 2007. With the 2007 extension of TRIA, the 85% federal share will remain constant for the life of the extension, that is, through December 31, 2014.
- ◆ In compliance with the disclosure requirement of Section 103(b)(3) of the Act, Paragraph B. of the endorsement is revised and Paragraph C. is added to address the \$100 billion cap. Paragraph C. also advises, in accordance with the provisions of Section 103(e)(2)(B), that all insured losses are subject to pro rata allocation when aggregate insured losses exceed \$100 billion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

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If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

~~With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.~~

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of "a "certified act of terrorism".

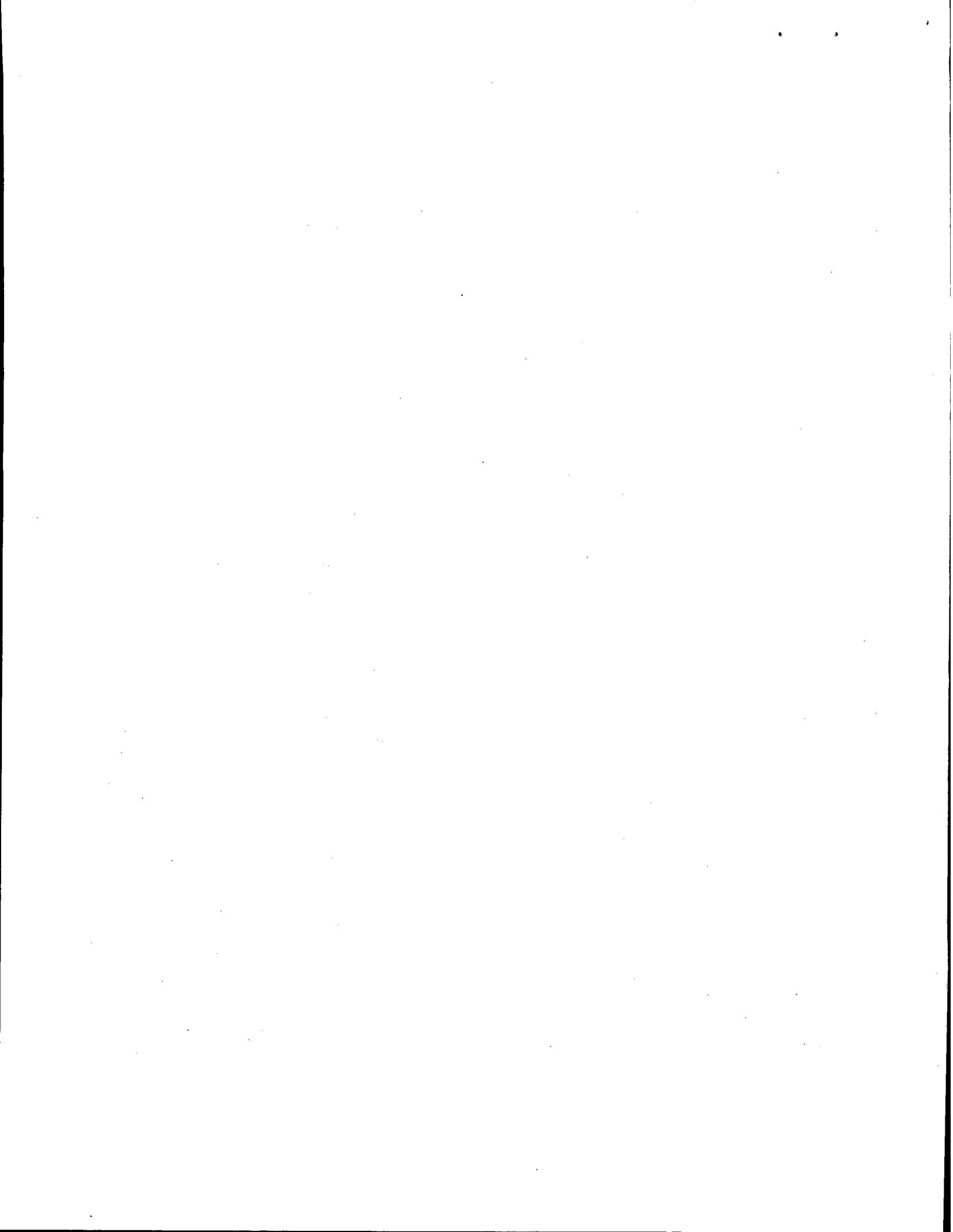
B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:

- a. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

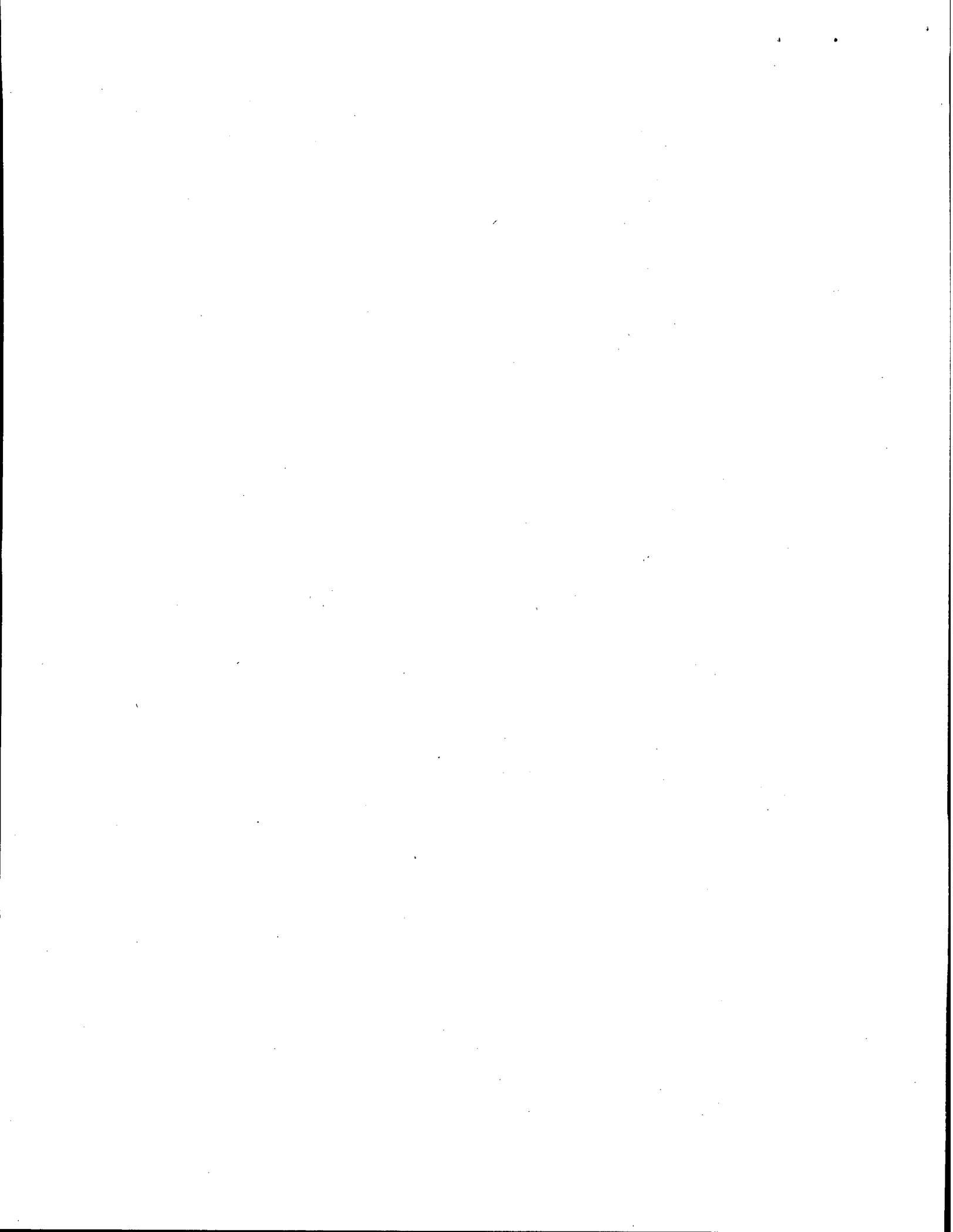
B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CERTIFIED ACTS OF TERRORISM AGGREGATE LIMIT; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Certified Acts Of Terrorism Aggregate Limit: \$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Coverage provided by this insurance for "bodily injury", "property damage" or "personal and advertising injury", arising out of a "certified act of terrorism", is subject to the Certified Acts Of Terrorism Aggregate Limit as described in Paragraph B. of this endorsement.

B. The following are added to Section III – Limits Of Insurance:

Subject to Paragraphs 2. and 3. of Section III – Limits Of Insurance, as applicable, the Certified Acts Of Terrorism Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all:

1. "Bodily injury" or "property damage" under Coverage A;
2. "Personal and advertising injury" under Coverage B; and
3. Medical payments under Coverage C; arising out of all "certified acts of terrorism".

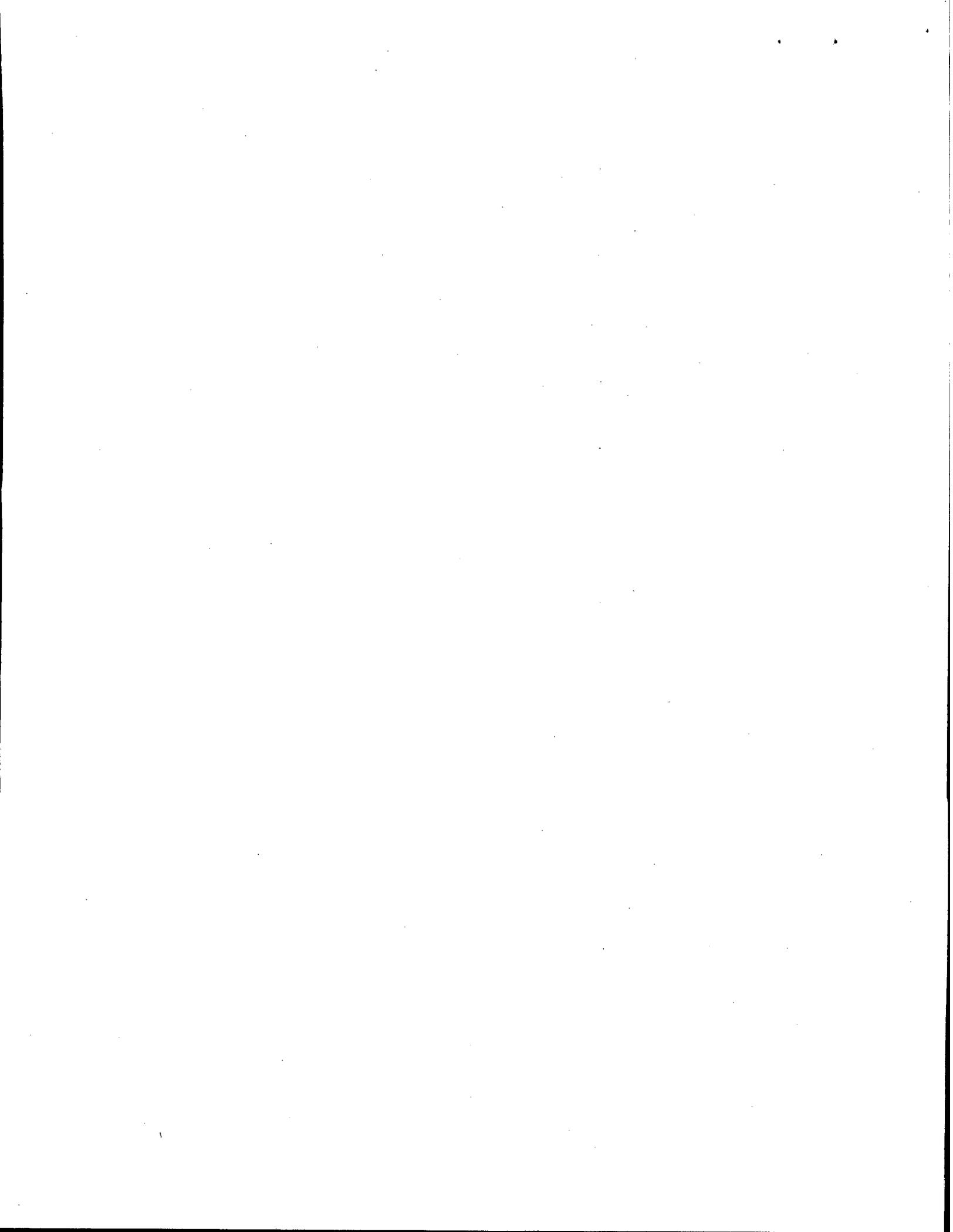
Paragraph 4., the Personal and Advertising Injury Limit, Paragraph 5., the Each Occurrence Limit, Paragraph 6., the Damage To Premises Rented To You Limit, and Paragraph 7., the Medical Expense Limit, of Section III – Limits Of Insurance continue to apply to damages arising out of a "certified act of terrorism". Those limits will only be available if, and to the extent that, limits are available under the Certified Acts Of Terrorism Aggregate Limit.

C. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:

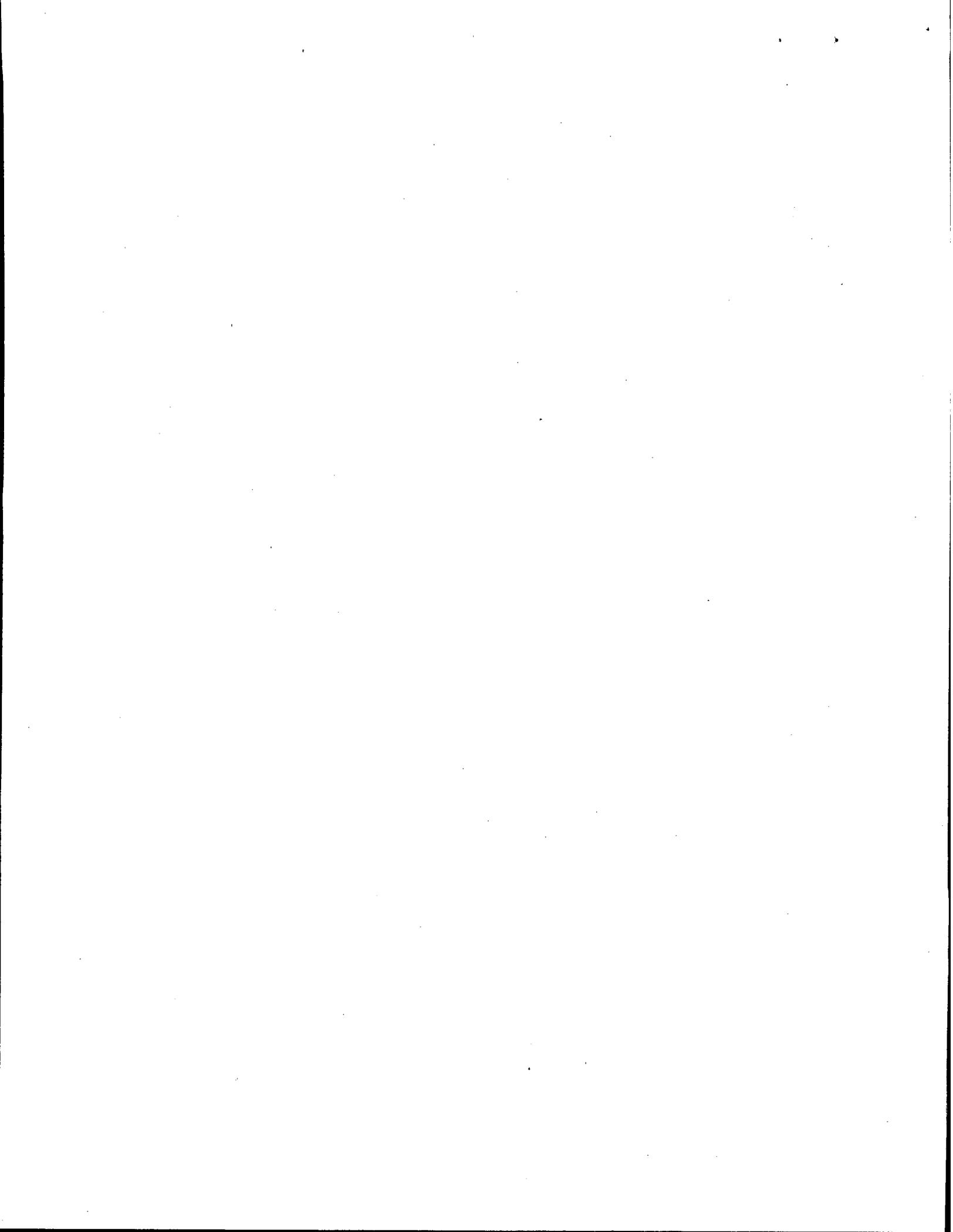
1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury. ~~With respect to all "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.~~

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CERTIFIED ACTS OF TERRORISM AGGREGATE LIMIT; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Certified Acts Of Terrorism Aggregate Limit: \$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Coverage provided by this insurance for "bodily injury" or "property damage", arising out of a "certified act of terrorism", is subject to the Certified Acts Of Terrorism Aggregate Limit as described in Paragraph B. of this endorsement.

B. The following are added to **Section III – Limits Of Insurance**:

Subject to Paragraph 2. of Section III – Limits Of Insurance, the Certified Acts Of Terrorism Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all "bodily injury" or "property damage" arising out of all "certified acts of terrorism".

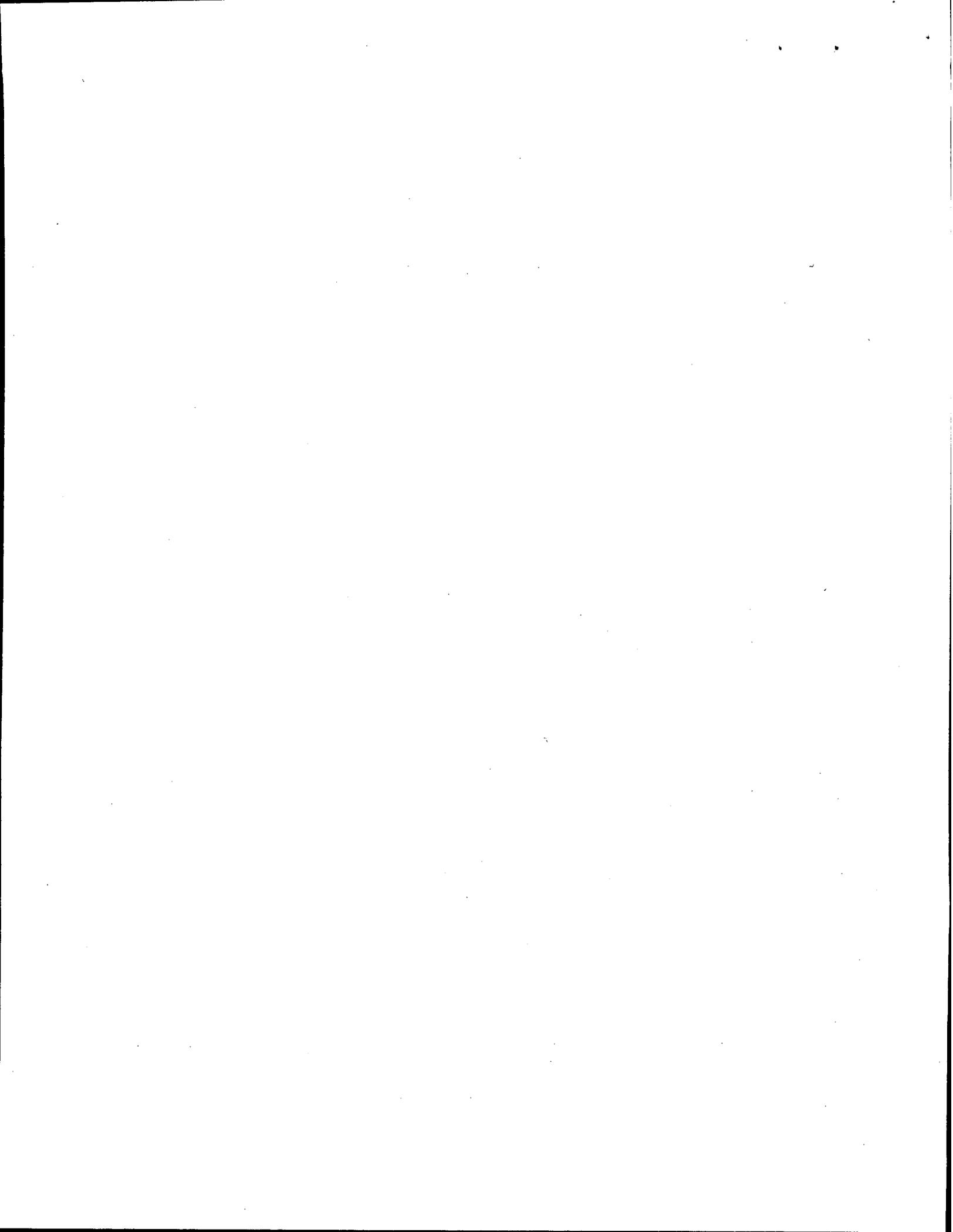
Paragraph 3. the Each Occurrence Limit, of Section III – Limits Of Insurance continues to apply to damages arising out of a "certified act of terrorism". That limit will only be available if, and to the extent that, limits are available under the Certified Acts Of Terrorism Aggregate Limit.

C. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:

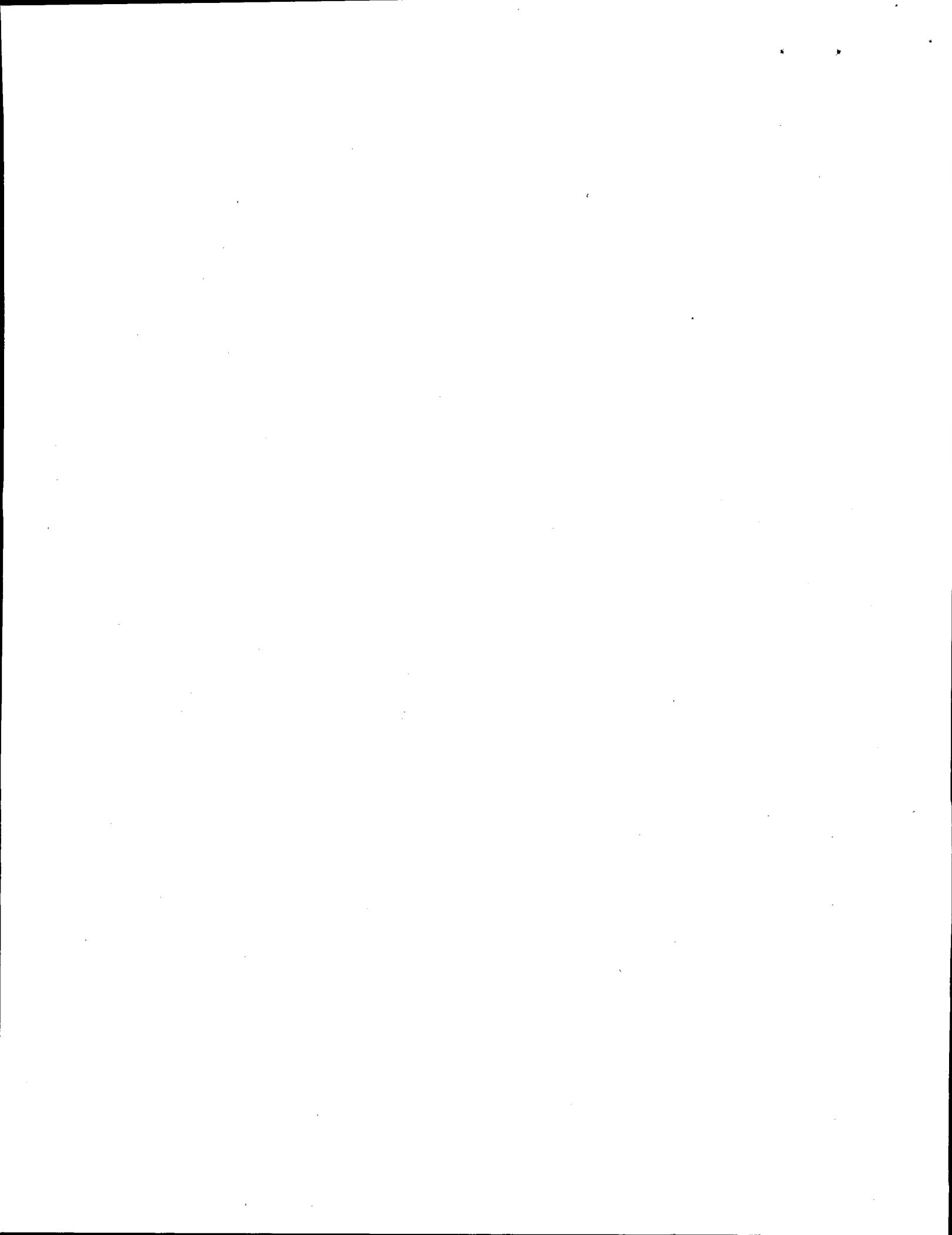
1. The act resulted in aggregate ~~insured~~ losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury. With respect to all "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACT OF NUCLEAR, BIOLOGICAL, OR CHEMICAL OR RADIOLOGICAL ACTS OF TERRORISM; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

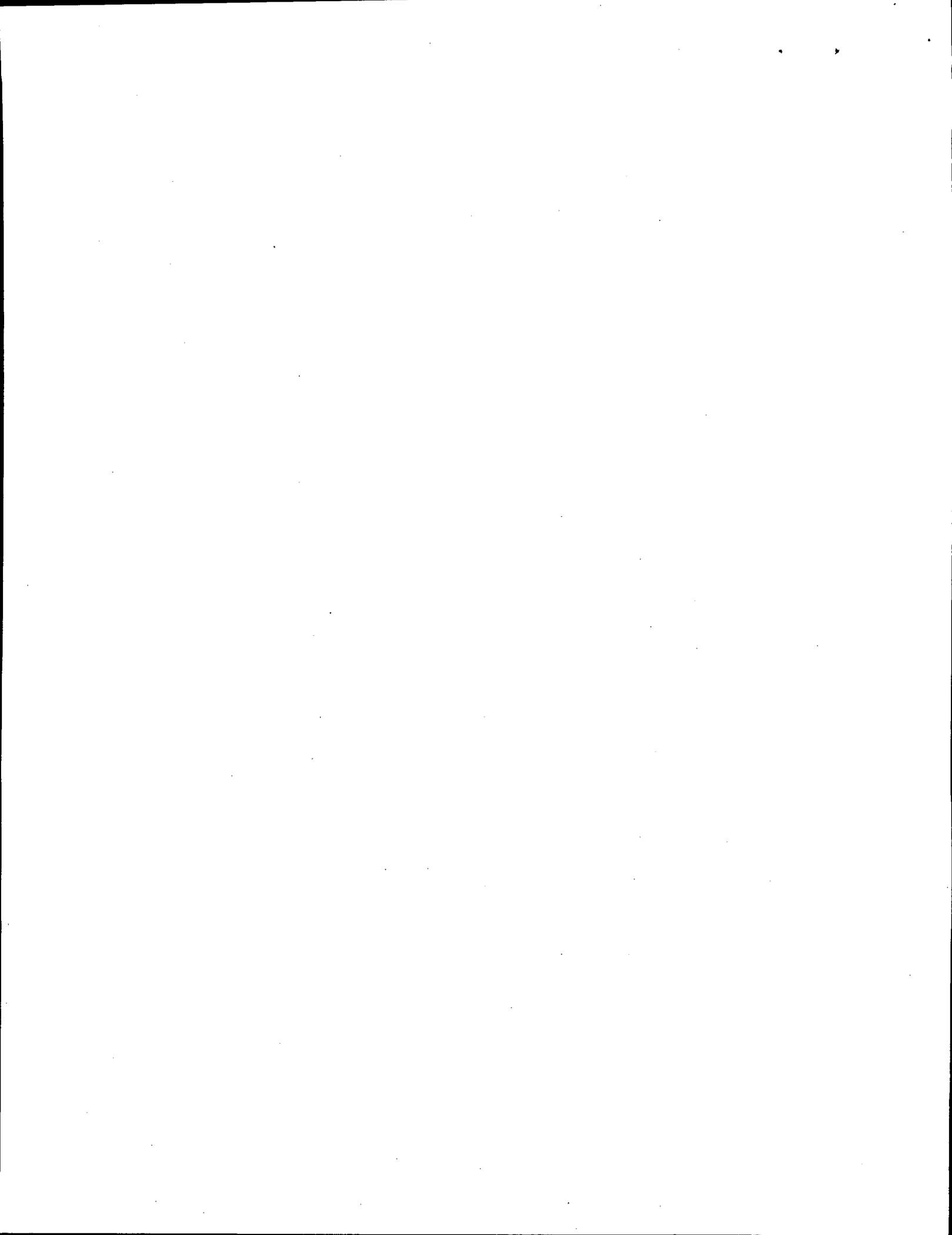
B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:

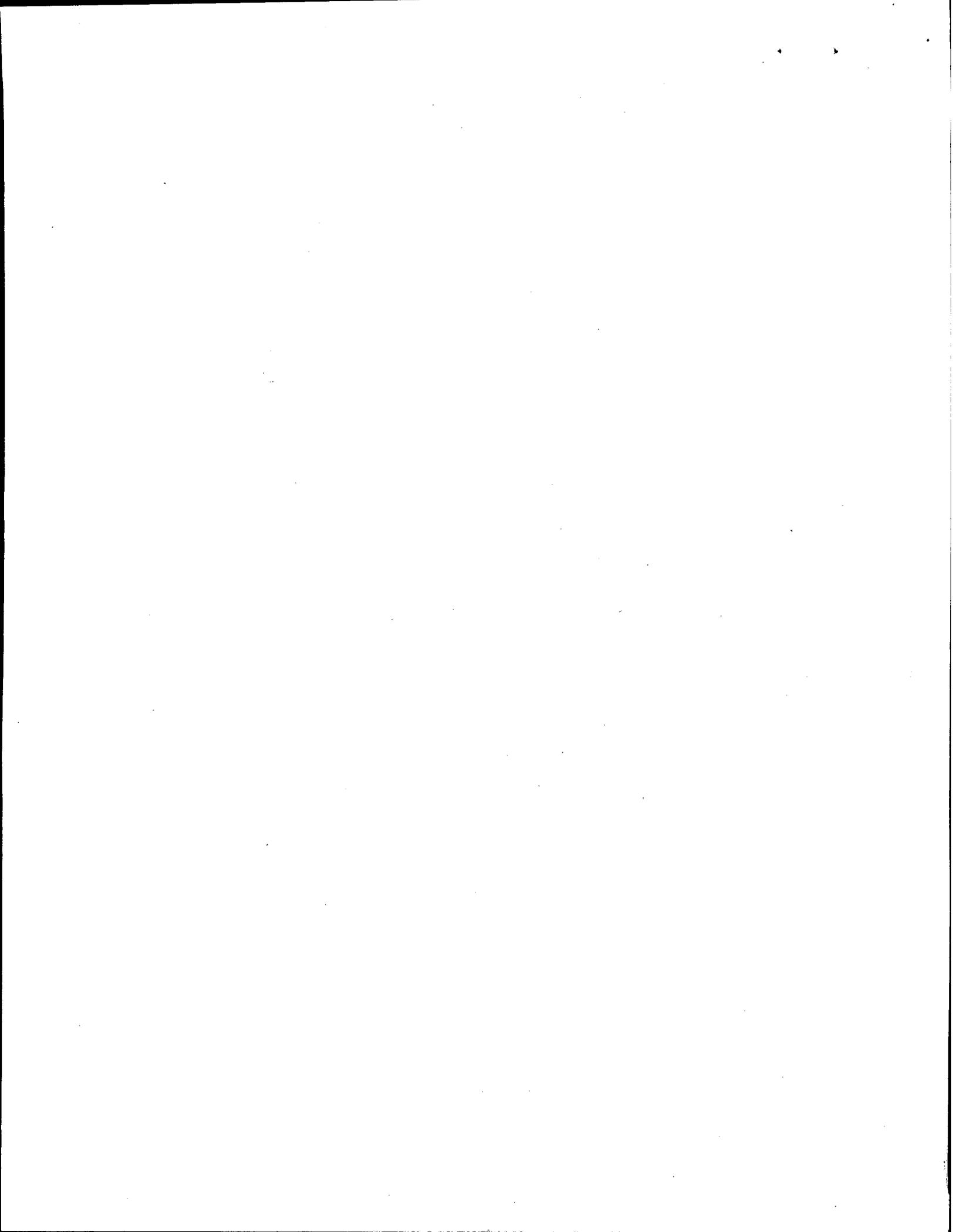
- a. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. In the event of any incident of a "certified act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

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D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury. With respect to all "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

~~With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.~~

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. ~~The criteria contained in the federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism" include the following:~~

1. ~~The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and~~
2. ~~The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.~~

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